



EAG Overview

PURPOSE:

HB 14-1319 requires the Colorado Commission on Higher Education (CCHE) to engage "interested parties" in the conversation that will ultimately lead to a new base-funding allocation formula for higher education. The Executive Advisory Group (EAG) is being established to bring diverse expertise into the conversation and serve as thought partners with CCHE.

The EAG will be responsible for synthesizing the information gathered (1) through the public education and outreach process of this Project and (2) from the Subject Matter Expert Teams, in order to identify choices and make recommendations to CCHE on how to create a funding mechanism that: is transparent and understandable for Colorado taxpayers; provides greater tuition predictability, with a goal of ensuring both accessible and affordable higher education for residents; and, harmonizes with the statewide goals for higher education as articulated in the CCHE's Master Plan - Colorado Competes, A Complete Agenda for Higher Education.

PROJECT PRINCIPLES

HB 14-1319 requires the Colorado Commission on Higher Education (CCHE) to develop a new base funding formula to allocate state general fund dollars among the State's public institutions of higher education.

In order to ensure Colorado higher education is of value, affordable, accessible, and high quality; and, seen as a public good, all decisions regarding the development of this new funding formula should:

Align project outcomes with Master Plan goals, which are:

- Increase the attainment of high quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2015.
- Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.
- Enhance access to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.
- Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

Promote clarity, simplicity and predictability in the allocation of state funds to public institutions of higher education.

Evaluate Colorado public institutions of higher education on accurate and comparable data.

Respect the individual role and mission purposes of each Colorado public institution of higher education with regard to operational authority and flexibility.

HB 14-1319 Legislative Intent

Funding for higher education should be based on the needs of the state, the people of Colorado, and the students. Section 1, Page 2, 23-18-301(1)(b)

It is essential that Colorado make wise use of its investment in higher education to increase the number of Coloradans who have earned a high-quality postsecondary credential. Section 1, Page 2, 23-18-301(1)(d)

It is important that all Coloradans have access to affordable higher education and that higher education services are available in all geographic areas of the state. Section 1, Page 2, 23-18-301(1)(e)

Ensure that tax dollars are being used to achieve state policy goals, higher education must be funded in a manner that is transparent and understandable. Section 1, Page 3, 23-18-301(2)(a)

Colorado's limited state resources must be used in a way that provides incentives for state institutions of higher education to achieve the policy goals adopted by the General Assembly and the Colorado Commission on Higher Education. Section 1, Page 2, 23-18-301(1)(g)

It is critical that the rate of postsecondary participation by low-income Coloradans and minorities, who are currently underrepresented, be increased. Section 1, Page 2, 23-18-301(1)(f)

To achieve state policy goals, performance metrics must be established that are consistent and predictable. Section 1, Page 3, 23-18-301(2)(b)

With a consistent and predictable funding model for higher education, state institutions of higher education will be able to engage in long-term financial planning that will benefit students through more predictable tuition and fees.

Section 1, Page 3, 23-18-301(2)(c)

If higher education is funded in a manner that is transparent and understandable, Coloradans, and especially Colorado Taxpayers, will more easily understand the benefit realized from Colorado's investment in its higher education system. Section 1, Page 3, 23-18-301(2)(d)

HB 14-1319 Legislative Directives

The components of the 'new' feefor service contracts developed by the Commission "must" be fairly balanced between role and mission factors and performance metrics. Section 1, Page 5, 23-18-303(2)

Each role and mission factor may be applied differently to institutions, but similar institutions must be treated similarly. Section 1, Page 14, 23-18-306(2)(b)(III)

Each performance funding metric must be applied uniformly to all governing boards. Section 1, Page 14, 23-18-306(2)(b)(IV)

COF Stipend must be at least 52.5% of Total State
Appropriations for the applicable state fiscal year, except that percentage may be less than 52.5% as a result of adjustments for actual enrollment. Section 1, Page 12, 23-18-305(2)(a)

Each role and mission factor and performance funding metric must be transparent and measurable.

Section 1, Page 14, 23-18-306(2)(b)(II)

CCHE shall work in consultation with interested parties to determine the role and mission factors and performance funding metrics. Section 1, Page 14, 23-18-306(2)(a)

Each role and mission factor and performance funding metric must be tied to the policy goals established by the General Assembly and by the Commission in its Mater Plan. Section 1, Page 14, 23-18-306(2)(b)(l)

Fiscal Year (FY) 2015-16 Budget Request



Feedback from Public Education and Outreach

Affordability

Increasing Completions

Providing Needed
Services to Low Income
and Under Represented
Minority Students

FAMET Recommended Model Overview: Funding Allocations

Increase in Appropriations

FUNDING ALLOCATIONS

Total Appropriations for Higher Education

Full Appropriations	\$665,855,077
Projected Appropriations plus SEP only	\$640,523,963
New Total State Appropriations for Model (TSA)	\$525,682,095
Specialty Ed Programs New	\$114,841,868
Local District Junior College Amount	\$15,449,050
Area Vocational Schools Amount	\$9,882,063

Budget Percentage Increase

10.00%

SEP Additional Increase

0.00%

FAMET Recommended Model Overview: Funding Allocations

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Budget Percentage Increase

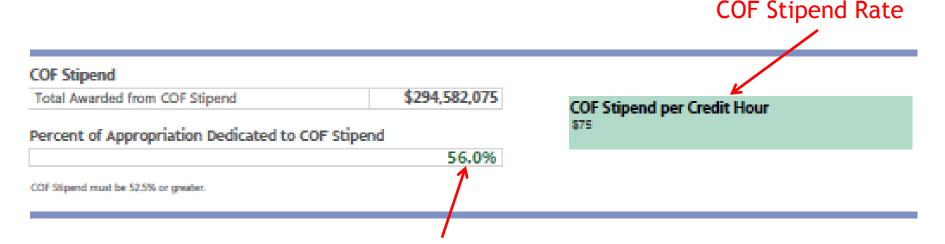
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SEP Additional Increase

0.00%

Total State Appropriations

FAMET Recommended Model Overview: COF Stipend



COF Stipend Rate, Must be at least 52.5% of Total State
Appropriations

FAMET Recommended Model Overview: Role and Mission and Performance Allocations

Role & Mission and Performance Allocations

Total in Role and Mission Allocation	\$138,660,012
Total: Performance	\$92,440,008

Role and Mission Split Percentage

60%

Performance Split Percentage

40%

FAMET Recommended Model Overview: Role and Mission

ROLE AND MISSION Dollars Awarded to Dollars Awarded to Dollars Awarded to **Dollars Awarded to** Total Awarded from Governing Board Tuition Stability Weighted Credit URM Role and Mission Factor \$76,041 \$4,000,000 1,685,890 5,973,333 Adams State University Board \$211,403 5.110.432 Colorado Mesa Board \$883,813 \$125,348 \$1,000,000 3.301.272 Pell Carveout 10.0% \$39,536 5,936,977 8.382,828 \$156,315 \$2,250,000 Colorado School of Mines Board Colorado State University Board \$1,502,228 \$420,984 \$1,000,000 19.104.332 22.027.524 **URM Carveout** \$1,457,556 19.118.805 27.626.012 \$6,049,651 \$1,000,000 Community College System Board 5.0% \$170,085 \$42,694 50 2.344.325 2.557,104 Fort Lewis College Board 50 8.268.946 10.351.137 Metro State University Board \$1,603,703 \$478,489 \$1,500,000 University of Colorado Board \$2,168,768 \$802,025 34,695,168 38,985,959 \$888,858 \$197.914 \$8,000,000 6.701.735 13,588,508 University of Northern Colorado Board 4.097,178 Western State Board \$113,428 \$17,938 \$2,750,000 1.215.815 **Grand Total** 513-328-247 \$3,458,502 \$19,500,000 102 373 264 138 680 012 Pell-Eligible and URM as a Percentage of the COF Stipend

FAMET Recommended Model Overview: Role and Mission

ROLE AND MISSION Dollars Awarded to **Dollars Awarded to** Dollars Awarded to Total Awarded from **Tuition Stability** Governing Board Weighted Credit Role and Mission U RIM Factor Hours Adams State University Board \$211,403 \$78,041 \$4,000,000 1,685,890 5.973,333 \$683,813 \$125,348 \$1,000,000 3.301.272 5.110.432 Colorado Mesa Board Pell Carveout 10.0% \$156,315 \$30,536 \$2,250,000 5.938.977 8 382 828 Colorado School of Mines Board 19.104.332 22 027 524 Colorado State University Board \$1,502,228 \$420,084 \$1,000,000 URM Carveout \$8,049,651 \$1,457,556 \$1,000,000 19.118.805 27.628.012 Community College System Board 5.0% \$42,694 2,344,325 2.557,104 \$170,085 Fort Lewis College Board Metro State University Board \$1,603,703 \$478,480 50 8.268.945 10.351.137 University of Colorado Board \$2,168,768 \$802,025 \$1,500,000 34,695,168 38,985,959 \$550,055 \$197,914 \$8,000,000 6.701.735 13,588,508 University of Northern Colorado Board 4.097,178 \$113,428 \$17,938 \$2,750,000 1,215,815 Western State Board \$19,500,000 138,660,012 Grand Total \$13,328,247 \$3,458,502 102 373 264

Tuition Stability Factor

HB 14-1319 allows the Commission to establish up to two additional factors, including but not limited to, *institutional affordability*.

FAMET Recommended Model Overview: Role and Mission

ROLE AND MISSION

Governing Board	Dollars Awarded to Pell	Dollars Awarded to URM	Dollars Awarded to Tuition Stability Factor	Dollars Awarded to Weighted Credit Hours	Total Awarded from Role and Mission
Adams State University Board	\$211,403	\$76,041	\$4,000,000	1,685,890	5,973,333
Colorado Mesa Board	\$683,813	\$125,348	\$1,000,000	3,301,272	5,110,432
Colorado School of Mines Board	\$156,315	\$39,536	\$2,250,000	5,936,977	8,382,828
Colorado State University Board	\$1,502,228	\$420,984	\$1,000,000	19,104,332	22,027,524
Community College System Board	\$8,049,651	\$1,457,556	\$1,000,000	19,118,805	27,628,012
Fort Lewis College Board	\$170,085	\$42,694	\$0	2,344,325	2,557,104
Metro State University Board	\$1,603,703	\$478,489	\$0	8,268,948	10,351,137
University of Colorado Board	\$2,168,768	\$802,025	\$1,500,000	34,695,168	38,965,969
University of Northern Colorado Board	\$668,858	\$197,914	\$8,000,000	6,701,735	13,558,506
Western State Board	\$113,428	\$17,938	\$2,750,000	1,215,815	4,097,178
Grand Total	\$13.328.247	\$3,458,502	\$19.500,000	102.373.264	138.680.012

Pell Carveout 10.0%

URM Carveout 5.0%



FAMET Recommended Model Overview: Performance

Transfer Weight 0.25	PERFORMANCE	Completion Weight 85%		
Certificate Weighting 0.25	Governing Board	Dollars Awarded to Completion and Retention	Retention Weight	
Accoolate Weight	Adams State University Board	\$886,918	12.0	
0.5	Colorado Mesa Board	\$1,763,202	HDM Daniel	
	Colorado School of Mines Board	\$1,843,221	URM Bonus	
Baccalaureate Weight 1	Colorado State University Board	\$10,106,570	1.5	
	Community College System Board	\$12,790,857		
Grad. Certificate Weight	Fort Lewis College Board	\$1,117,738	Pell Bonus	
0.25	Metro State University Board	\$5,215,357	1.5	
	University of Colorado Board	\$17,432,939		
Master Weight	University of Northern Colorado Board	\$3,674,925	Priority Bonus	
1.25	Western State Board	\$632,278	1.5	
Specialist Weight 1.25	Total Weighted Completions			
Dootprate Weight				

Completion/Transfer Weights by Level

1.25

FAMET Recommended Model Overview: Performance

Transfer Weight 0.25	PERFORMANCE		85%
Certificate Weighting 0.25	Governing Board	Dollars Awarded to Completion and Retention	Retention W 15%
Associate Weight 0.5	Adams State University Board	\$886,918	
	Colorado Mesa Board	\$1,763,202	
	Colorado School of Mines Board	\$1,843,221	1.5
Baccalaureate Weight	Colorado State University Board	\$10,106,570	
1	Community College System Board	\$12,790,887	Pell Bonus
	Fort Lewis College Board	\$1,117,738	1.5
	Metro State University Board	\$5,215,357	
	University of Colorado Board	\$17,432,939	Priority Bonu
	University of Northern Colorado Board	See	
Accoolate Weight 0.5 Colorado M Colorado S Baccoalaureate Weight 1 Community Grad. Certificate Weight 0.25 Macter Weight 1.25 Specialist Weight 1.25 Total Western St	Western State Board	\$632,278	
	Total Weighted Completions		
Doctorate Weight 1.25			

Completion Weight
85%

Retention Weight
15%

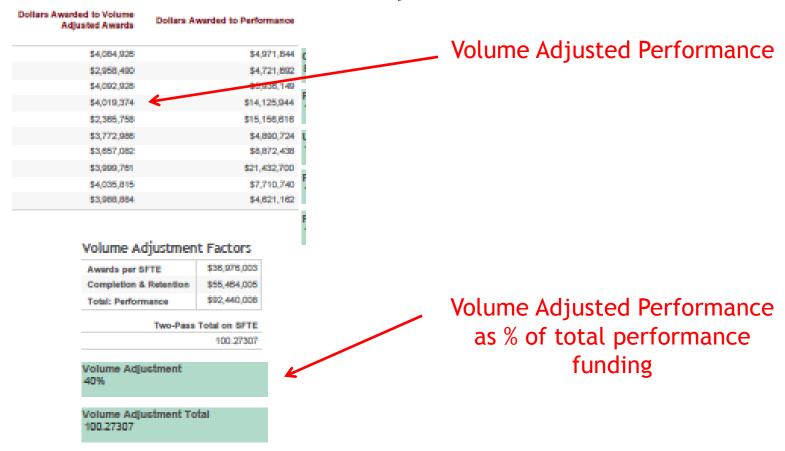
URM Bonus
1.5

Pell Bonus
1.5

Priority Bonus
1.5

Population and Priority Bonus UG Completions and Transfers

FAMET Recommended Model Overview: Performance



FAMET Recommended Model Overview: Final Output

FUNDING BY GOVERNING BOARD							
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Previous Year's Allocation	Percentage Change
Adams State University Board	\$3,014,775	\$5,973,333	\$4,971,844	\$13,959,952	\$13,959,952	\$12,837,321	8.75%
Colorado Mesa Board	\$14,609,400	\$5,110,432	\$4,721,692	\$24,441,524	\$24,441,524	\$22,027,253	10.96%
Colorado School of Mines Board	\$6,291,600	\$8,382,828	\$5,936,149	\$20,610,577	\$20,610,577	\$18,669,466	10.40%
Colorado State University Board	\$44,015,100	\$22,027,524	\$14,125,944	\$80,168,567	\$133,499,085	\$73,496,160	9.08%
Community College System Board	\$109,407,525	\$27,626,012	\$15,156,616	\$152,190,153	\$152,190,153	\$137,465,917	10.71%
Fort Lewis College Board	\$4,545,825	\$2,557,104	\$4,890,724	\$11,993,653	\$11,993,653	\$10,594,613	13.21%
Metro State University Board	\$31,613,100	\$10,351,137	\$8,872,438	\$50,836,675	\$50,836,675	\$43,681,225	16.38%
University of Colorado Board	\$61,134,600	\$38,965,959	\$21,432,700	\$121,533,258	\$183,044,608	\$111,178,395	9.31%
University of Northern Colorado Board	\$17,177,550	\$13,568,506	\$7,710,740	\$38,456,796	\$38,456,796	\$37,357,034	2.94%
Western State Board	\$2,772,600	\$4,097,178	\$4,621,162	\$11,490,940	\$11,490,940	\$10,585,430	8.55%

Percentage Change from Prior Year

What is Still Needed

Application of Guardrails

- Required by Legislation
- Five-Year Period to Transition
- Will bring all institutions to at least 5% and no greater than
 10%
- Remains to be programmed in



